

NEAT EVALUATION FOR MOVATE:

CX Services in Startups & Emerging Brands

Market Segment: Revenue Generation Capability

Introduction

This is a custom report for Movate presenting the findings of the NelsonHall NEAT vendor evaluation for *CX Services in Startups & Emerging Brands* in the *Revenue Generation Capability* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Movate, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering CX services for startup companies and emerging brands. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall and with specific capability in cost optimization, revenue generation, and CX improvement.

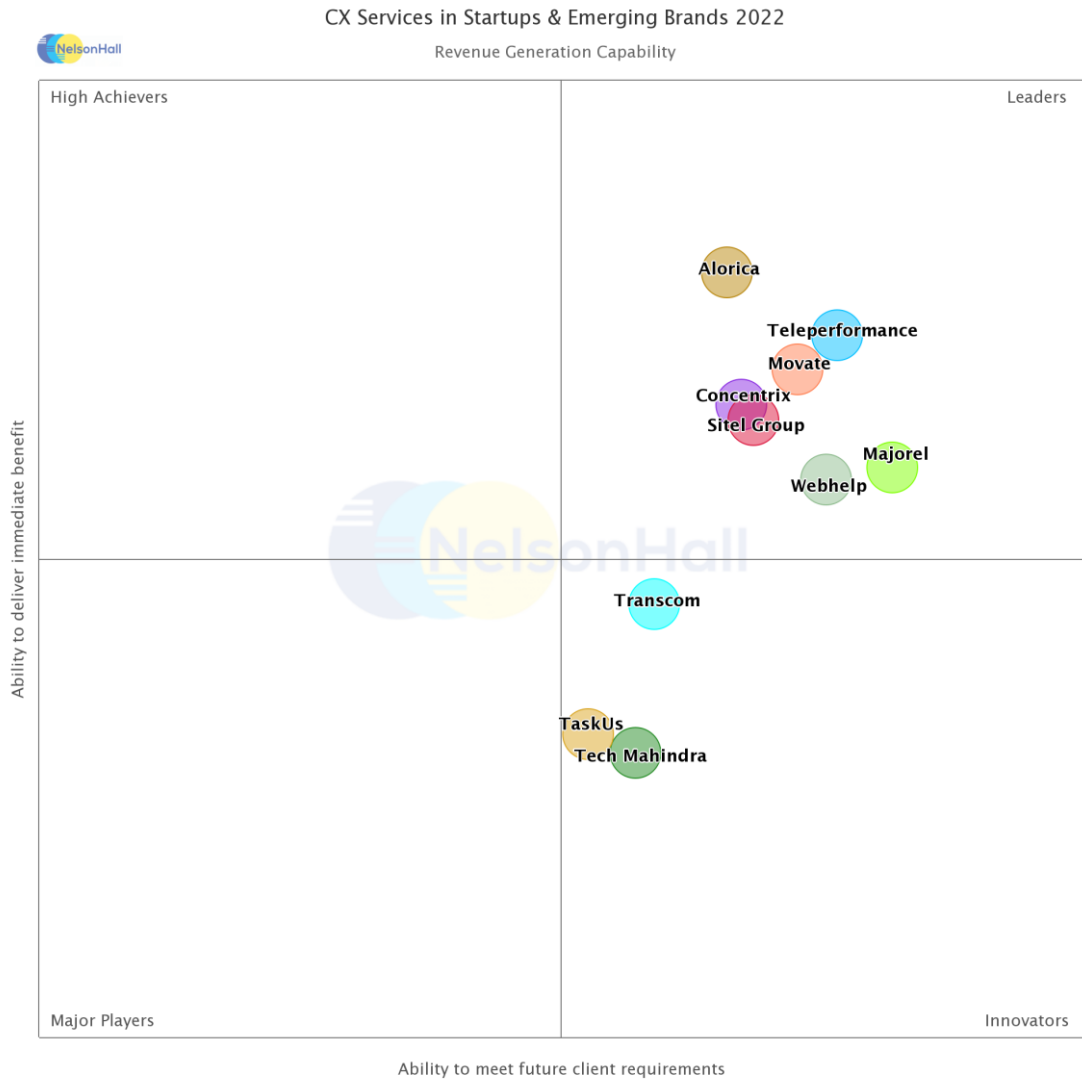
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Alorica, Concentrix, Majorel, Movate, Sitel, TaskUs, Tech Mahindra, Teleperformance, Transcom, and Webhelp.

Further explanation of the NEAT methodology is included at the end of the report.



NEAT Evaluation: CX Services in Startups & Emerging Brands (Revenue Generation Capability)



NelsonHall has identified Movate as a Leader in the *Revenue Generation Capability* market segment, as shown in the NEAT graph. This market segment reflects Movate’s ability to meet future client requirements as well as delivering immediate benefits to its CX services clients with specific capability in enabling revenue generation.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

Buy-side organizations can access the *CX Services in Startups & Emerging Brands* NEAT tool (*Revenue Generation Capability*) [here](#).



Vendor Analysis Summary for Movate

Overview

Movate (formerly known as CSS Corp) is a private BPS and IT services firm headquartered in Plano, Texas. The company provides CX services, premium technical support, enterprise support services such as helpdesk and service desk, infrastructure, network, cloud, security, testing, software product engineering, analytics, and geospatial services. It has ~12k employees in 20 locations across 13 countries. In 2021, it had \$240m in revenues (NelsonHall estimate), which amounted to a 28% y/y growth. In September 2022, CSS Corp announced a rebranding to Movate to reposition as an outcome provider and innovation partner.

For startups and emerging brands, Movate provides customer care, L1-L3 technical support, premium and white glove technical support, order management and activation, claims management and escalations, lead generation and qualification, inbound and outbound sales, inside sales, cross-sell and upsell, retention, account management for B2B, and marketing and customer advocacy campaigns. It also delivers social media engagement, monitoring and listening, and content moderation. It offers CX consulting, journey mapping, operations design and transformation, multishoring and BCP enablement, digital channel strategy and implementation, and operational, interaction, and predictive analytics. It develops intent engines and NLP, and offers data services such as model building, BI, and AI & ML. It provides back-office automation and automated workflow orchestration and creates customer-facing and agent-facing bots and virtual assistants.

It has ~20 startup and emerging brand clients across enterprise and consumer tech, SaaS, media, games and entertainment, fintech, healthtech, automotive, and cybersecurity.

In March 2022, Movate acquired Directly's gig CX services unit, OnDemand. Through the transaction, Movate gained an on-demand CX work platform and flexible work resources for customer care and technical support. OnDemand has freelancers in 60 countries and is based in San Francisco. Its clients include Microsoft, LinkedIn, Airbnb, and Autodesk. Movate developed its integrated hybrid gig work offering with a dedicated platform and resources using the newly acquired OnDemand and combining it with the core workforce and AI-based CX platform. Movate also has a suite of CX accelerators and platforms.

Movate's portfolio for startups and emerging brands covers:

- CX strategy and insights for consulting and advisory to develop the brand's end-to-end CX delivery and transformation roadmap. The roadmap includes a blueprint of CX systems and applications, contact channels, and a map of customer touchpoints, even outside the support function
- CX as a Service: Cloud migration and contact center infrastructure management. Within its CX as a Service offering, Movate also helps with startup incubation and integration of the CX in overall brand development
- Movate Edison for startups is the company's CX offering with channel-less interaction, conversational bots, predictive analytics, and smart routing
- Revenue and growth services, with managed sales and retention alongside revenue acceleration assets such as customer and sales analytics
- Global CX management, structured through multishore and multilingual delivery combining on-site and WAH resources
- Gig platform Movate OnDemand, with a network of freelance workers.



Financials

NelsonHall estimates Movate's CY 2022 CX services revenues at ~\$180m, of which startups and emerging brands form 30% or ~\$60m.

Strengths

- Significant revenue generation practice across acquisition, sales, and retention for startups, with underlying analytics and implementation examples
- Strong conversational AI and intelligent routing capability with implementations for startups
- Future-looking investments in upstream product integration for proactive and pre-emptive support
- Blended delivery between on-site and WAH CX employees and gig peer experts
- Strong startup client portfolio in B2B software and connected home.

Challenges

- Could proactively target startups with its data training and geospatial analytics services
- Could further develop its CX innovation and ideation with startups by creating dedicated formats
- Could integrate its CX and testing lab in the wider startup incubation delivery and attract startup prospects.

Strategic Direction

Movate builds on its domain experience with established brands to get an entry into startups. For example, it has been able to rely on its expertise in the communications and wireless sectors to capture opportunities in smart homes, and it uses its automotive sector expertise to target opportunities in connected vehicle support. In addition to networking in the Silicon Valley startup ecosystem, starting in 2022, Movate developed a "board-to-board" sales approach, leveraging its connections in the VC space such as the investment firms with shares in the company.

Movate promotes its ability to deliver flexible CX programs using an end-to-end consultative approach with a dedicated startup incubation team having full oversight and accountability. The approach encompasses the initial CX operations, infrastructure, and process designs through to knowledge gathering, training, content development, and delivery. The company also wants to position itself as an upstream CX support provider, providing startups' product development teams with proactive and pre-emptive support. In this way, Movate develops a symbiotic relationship across the client organization.

The company looks to leverage its revenue generation processes within new product launches, offering performance analytics, customer adoption, usage analysis, and best practice sharing for expansion and retention to target the CMO roles within startups.

Movate plans to actively incorporate its OnDemand gig platform in its delivery for startups, utilizing technology experts from global brands. It is also investing in the gig work platform,



adding new markets such as India and the Philippines and piloting voice workflow for a technology client in a click-to-call model. It also plans to use human responses and data sets from the OnDemand workforce to train conversational AI and virtual assistants for self-service. Movate is further exploring the use of OnDemand for additional services such as data annotation and ML training, complementing its geospatial analytics offerings.

Outlook

Movate has a mature startup CX services portfolio with standout revenue generation capabilities built on its specialized analytics foundation. These Movate offerings can be significant value drivers for the startup segment, which is facing increased investor scrutiny of revenue growth and profitability. Look for an increased demand for customer acquisition and retention in the SaaS and business software services space.

Movate has a solid enterprise connectivity and communications footprint, making emerging brands in connected homes and vehicles a natural extension of its target segments. The possibility of integrating different self-service and proactive support features at the product development stage is a challenging yet very promising area as more consumer electronics brands target direct-to-consumer sales and services and subscription plays. Look for additional client wins here for Movate.

The gig work model with peer experts is focused initially on established outsourcing clients, but the company could look to target niche startup needs in data annotation, ML training, and geospatial content.



CX Services in Startups & Emerging Brands

Market Summary

Overview

In 2022, the deceleration of startup funding and VC activity limits the number of CX services clients from the startup and emerging brands segments.

The expected economic slowdown in 2023 will put additional investor focus on new companies' customer acquisition, retention, and support strategies. This increased scrutiny could create an opportunity for CX services vendors to position their expertise and know-how in the space.

The rise of business internationalization and borderless customers is generating the need for global multilingual CX services delivery. The evolution to ecommerce will likely increase the segment's needs for integrated sales, support, and marketing with a single vendor.

Buy-Side Dynamics

Improved customer satisfaction and instant scalability of resources are the most important target benefits and have the highest satisfaction levels for startups and emerging brands. Additional client expectations include breaking the linear relationship between expanding customer base and support cost, multilingual support and internationalization of operations (including new market entry), and vendor-provided customer and market insights (including on emerging technology and its CX impact).

The key buy-side drivers for the adoption of CX services by startups and emerging brands include requirements for:

- Improved customer satisfaction
- Instant scalability of CX operations
- Flexibility to ramp up and down CX staff
- Launch and set up brand new CX operations
- Multilingual delivery and internationalization of the business
- Requirements for offshore delivery
- Access to talent
- Increased cost savings
- Predictability and control of CX OPEX
- Improved efficiency
- Organizational optimization.

Additional buy-side factors in the adoption of CX services also include cultural alignment with the client organization; customer and market insights, including on emerging technology and its CX impact; access to specialized services such as content moderation, merchant/seller support, KYC, fraud analytics, and content marketing services (e.g., creative); access to best



practices in employee recruitment, learning, engagement, and performance management; know-how in learning design and implementation; delivery of back-office automation; tools and assets to enhance live agent support with intelligent routing, virtual assistants, recommendation engines, real-time sentiment analytics, and machine translation. Segment clients also look for their CX services vendors to guide and/or implement the creation of knowledge bases, WFM, and QA. Clients expect assistance with the selection and integration of CX technology. Segment clients want vendors to provide insights into future technology such as Web 3.0, ethical AI, immersive environments such as metaverses, and blockchain from a CX perspective.

The startup segment has specific requirements on top of their CX needs, such as vendor capabilities in startup ecosystem building; reputation within the VC and investment community; presence in key geographies such as Silicon Valley, London, or Singapore; access to senior leadership in the vendor organization; peer-to-peer collaboration formats; in-house technology substitutions for expensive CX market platforms; and discounted or zero-cost consulting and CX design services.

Market Size & Growth

NelsonHall estimates the global CX services market (excluding collections) in startups and emerging brands to be worth \$24.8bn, growing at 10.3% CAAGR.

The U.S. market represents ~29% of the global segment market, while Germany is expected to surpass \$2.5bn by 2026, with EMEA as a whole expanding 1% slower than North America. Asia Pacific is the fastest-growing region for the segment at 11.8% CAAGR growth to 2026, with India expanding at ~13%. Within LATAM, Brazil forms ~36% of the CX services market for startups and emerging brands.

Challenges & Success Factors

The main challenges for startups and emerging brands to adopt CX services are the unpredictability of their customer base growth patterns, lack of historical customer information, external market disruptions impacting demand, and lack of experience in outsourcing.

Key success factors for organizations in the segment to outsource CX effectively are:

- Managing costs within rapidly expanding CX operations
- Maintaining quality as CX operations scale and internationalize
- Ability to rapidly scale CX operations in a multishore environment with sizable offshore delivery
- Ability to employ hybrid work formats and adopt WAH
- Delivery of multilingual support supported by machine learning
- Contracting under flexible commercial terms
- Adherence to best management practices for ROI on transformation initiatives such as automation
- Use of agent augmentation to enhance live customer interactions such as real-time sentiment analytics



- Application of employee experience best practices in sourcing, hiring, learning, engagement, performance management, and wellbeing
- Effective modeling of traffic volumes and demand in a highly volatile market
- Proactive sharing of customer and competitor insights and developed analytics infrastructure.

Outlook

Over the next four years:

- The global CX services market (excluding collections) is expected to reach ~\$36.7bn by 2026, with emerging brands forming ~88% of the segment
- Revenue generation activities, such as upsell and cross-sell, retention, and loyalty management, are the fastest growing service lines at 16.7% CAAGR through 2026, driven by increased client focus on market share acquisition
- The outsourced market structure is shaped by the top 10 vendors, including via dedicated startups units, and several challenger brands looking to capitalize on a more targeted GTM approach
- Major success factors will become the vendors' ability to scale CX operations in a multishore environment with a sizable share of offshore delivery; offer multilingual support integrated with machine learning; provide flexible commercial terms; and apply best practices for quick ROI on various transformation initiatives
- CX services clients will prioritize agent augmentation to enhance live customer interactions, embed employee experience targets within their outsourcing requirements and outsource different marketing, sales, and support processes within an extensively integrated CX practice
- By 2026, most new CX programs for startups and emerging brands will have piloted support over emerging channels such as AR/VR and immersive environments.



NEAT Methodology for CX Services in Startups & Emerging Brands

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders:** vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- **High Achievers:** vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- **Innovators:** vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players:** other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.



Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Range of customer experience services in startups & emerging brands Customer experience improvement capability Revenue generation capability Cost optimization capability Operations scaling & flexibility capabilities
Delivery	<ul style="list-style-type: none"> Scale of managed services resources Application of flexible commercial terms and models Application of operational analytics Application of intelligent automation & RPA Application of customer facing automation & self-service Digital channels enablement & support Application of end-to-end talent management models Application of technology to enhance staff recruitment, learning, management Application of agent augmentation technology Application of process design & digital transformation Development of startup ecosystem Experience design and consulting capability Use of industry-specific IP & third-party tools Application of content & data services Segment cultural compatibility Application of multilingual support & internationalization
Market Presence	<ul style="list-style-type: none"> Scale of client presence in startups Scale of client presence in emerging brands Market momentum
Benefits Achieved	<ul style="list-style-type: none"> Level of customer experience improvement achieved Level of revenue enhancement achieved Level of cost savings achieved Level of scalability achieved



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
CXS in Startups Investments	<ul style="list-style-type: none"> Investment in development of customer satisfaction Investment in development of revenue generation capability Investment in development of analytics, automation, and cloud Investment in development of digital channels Investment in development of resource scalability Investment in development of end-to-end digital transformation Investment in support of CX ecosystem for startups & emerging brands
Perceived Suitability by CXS Clients	<ul style="list-style-type: none"> Perceived effectiveness in overall CX services delivery Perceived effectiveness in the application of customer experience improvement Perceived effectiveness in the application of revenue generation Perceived effectiveness in the application of cost optimization Perceived effectiveness in the application of scalability & flexibility Mechanisms in place to deliver client innovation through CX consulting & design Mechanisms in place to deliver client innovation through analytics, automation, cloud Extent to which client perceives that innovation has been delivered Suitability of vendor to meet future needs of client Perceived suitability as key partner

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.



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